

Act No. 172
Public Acts of 1993
Approved by the Governor
September 16, 1993
Filed with the Secretary of State
September 17, 1993

**STATE OF MICHIGAN
87TH LEGISLATURE
REGULAR SESSION OF 1993**

Introduced by Senators Cisky and McManus

ENROLLED SENATE BILL No. 529

AN ACT to make appropriations for the department of military affairs for the fiscal year ending September 30, 1994; to provide for the expenditure of the appropriations; to provide for certain duties of the department of military affairs, other state agencies, and local units of government; and to provide for the preparation of certain reports.

The People of the State of Michigan enact:

Sec. 101. There is appropriated for the department of military affairs, for the fiscal year ending September 30, 1994, from the funds identified as follows:

DEPARTMENT OF MILITARY AFFAIRS

Full-time equated unclassified positions	7.0	
Full-time equated classified positions	1,103.0	
GROSS APPROPRIATION		\$ 80,009,300
Total interdepartmental grants and intradepartmental transfers		\$ 0
ADJUSTED GROSS APPROPRIATION		\$ 80,009,300
Total federal revenues		31,745,900
Total local revenues		0
Total private revenues		150,000
Total other state restricted revenues		13,916,700
State general fund/general purpose		\$ 34,196,700

HEADQUARTERS AND ARMORIES

Full-time equated unclassified positions	7.0	
Full-time equated classified positions	111.0	
Headquarters and armories—111.0 FTE positions		\$ 7,294,400
Director		100,300
Unclassified military personnel		415,600
Military appeals tribunal		2,900
Michigan emergency volunteers		3,000
Federal initiatives		200,000
GROSS APPROPRIATION		\$ 8,016,200
Appropriated from:		
Federal revenues:		
DOD-national guard bureau		1,522,500

Special revenue funds:		
Armory rentals.....	\$	350,000
Mackinac Bridge Authority		35,000
State general fund/general purpose	\$	6,108,700
MILITARY TRAINING SITES AND SUPPORT FACILITIES		
Full-time equated classified positions.....	248.0	
Military training sites and support facilities—248.0 FTE positions	\$	9,394,400
Forestry project.....		30,000
Federal initiatives		200,000
Military training sites and support facilities test projects		100,000
GROSS APPROPRIATION.....	\$	9,724,400
Appropriated from:		
Federal revenues:		
DOD-national guard bureau		8,715,600
Special revenue funds:		
Forestry project fees		30,000
Test project fees		100,000
State general fund/general purpose	\$	878,800
DEPARTMENTWIDE APPROPRIATIONS		
Departmentwide accounts.....	\$	6,793,800
Special maintenance-state.....		236,200
Special maintenance-federal		2,302,000
Equipment safety training.....		59,800
Military contingency fund		100
Military Retirement		2,166,200
Counter narcotic operations		50,000
Starbase grant.....		500,000
GROSS APPROPRIATION.....	\$	12,108,100
Appropriated from:		
Federal revenues:		
Other federal funds		6,875,900
DOJ-drug enforcement agency.....		50,000
State general fund/general purpose	\$	5,182,200
VETERANS SERVICE ORGANIZATIONS		
American legion	\$	637,400
Disabled American veterans.....		578,700
Marine corps veterans		265,800
American veterans of world war II and Korea.....		367,300
Veterans of foreign wars.....		700,100
Michigan paralyzed veterans of America.....		131,000
Purple heart.....		124,700
Veterans of world war I.....		100
Polish legion of American veterans.....		32,700
Jewish veterans of America.....		32,700
State of Michigan council Vietnam veterans of Michigan		43,700
Catholic war veterans		10,500
GROSS APPROPRIATION.....	\$	2,924,700
Appropriated from:		
State general fund/general purpose	\$	2,924,700
GRAND RAPIDS VETERANS' FACILITY		
Full-time equated classified positions.....	569.0	
Grand Rapids veterans' facility—569.0 FTE positions.....	\$	33,304,400
Board of managers		100,000
GROSS APPROPRIATION.....	\$	33,404,400

Appropriated from:

Federal revenues:

HHS-HCFA, medicare, title XVIII.....	\$	113,700
HHS-HCFA, medicaid, title XIX.....		2,300,000
VA-DMS, multiple grants.....		5,965,500
Special revenue funds:		
Private-veterans facility post and posthumous funds.....		100,000
Income and assessments.....		10,041,100
State general fund/general purpose.....	\$	14,884,100

D.J. JACOBETTI VETERANS' FACILITY

Full-time equated classified positions.....	175.0	
D.J. Jacobetti veterans' facility—175.0 FTE positions.....	\$	11,781,500
Board of managers.....		50,000
GROSS APPROPRIATION.....	\$	11,831,500

Appropriated from:

Federal revenues:

HHS-HCFA, medicare, title XVIII.....		172,200
HHS-HCFA, medicaid, title XIX.....		2,100,000
VA-DMS, multiple grants.....		1,930,500
Special revenue funds:		
Private-veterans facility post and posthumous funds.....		50,000
Income and assessments.....		3,360,600
State general fund/general purpose.....	\$	4,218,200

FEDERAL CONTINGENCY FUNDS

Federal contingency funds.....	\$	2,000,000
GROSS APPROPRIATION.....	\$	2,000,000
Appropriated from:		
Federal revenues:		
Federal revenues.....		2,000,000
State general fund/general purpose.....	\$	0

GENERAL SECTIONS

Sec. 201. (1) In accordance with the provisions of section 30 of article IX of the state constitution of 1963, total state spending in this act is \$48,113,400.00 and state spending to be paid to units of local government is as follows:

Department of Military Affairs

Payments in lieu of taxes.....	\$	67,500
Total.....	\$	67,500

(2) When it appears to the principal executive officer of each department that state spending to local units of government will be less than the amount that was projected to be expended for any quarter, the principal executive officer shall immediately give notice of the approximate shortfall to the department of management and budget, the senate and house appropriations committees, and the senate and house fiscal agencies.

Sec. 202. The appropriations made and the expenditures authorized under this act and the departments, agencies, commissions, boards, offices, and programs for which an appropriation is made under this act are subject to the management and budget act, Act No. 431 of the Public Acts of 1984, being sections 18.1101 to 18.1594 of the Michigan Compiled Laws.

Sec. 203. As used in this act:

- (a) "DCD" means the United States department of defense.
- (b) "FTE" means full-time equated.

Sec. 204. The amounts appropriated for utilities and that portion of contractual services, supplies, and materials used to pay for utility service to state facilities in section 101 may be expended in a manner consistent with the provisions of section 253 of the management and budget act, Act No. 431 of the Public Acts of 1984, being section 18.1253 of the Michigan Compiled Laws.

Sec. 205. (1) The director shall take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies or both for the department of military affairs.

(2) The director shall strongly encourage firms with which the department contracts to subcontract with certified businesses in depressed and deprived communities for services or supplies or both.

Sec. 206. (1) Pursuant to the department of military affairs provisions of civil service rules and regulations and applicable collective bargaining agreements, individuals seeking employment with the department shall submit to a controlled substance test administered by the department.

(2) Individuals seeking employment with the department of military affairs who refuse to take a controlled substance test or who test positive for the illicit use of a controlled substance on such a test shall be denied employment by the department for a minimum of 1 year.

Sec. 207. (1) Beginning October 1, 1993, there shall be a hiring freeze imposed on the state classified civil service. State departments and agencies shall be prohibited from hiring any new full-time state classified civil service employees or prohibited from filling any vacant state classified civil service positions. This hiring freeze does not apply to internal transfers of classified employees from 1 position to another within a department or to positions that are funded with 80% or more federal or restricted funds.

(2) The director of the department of management and budget shall grant exceptions to the hiring freeze when the director believes that the hiring freeze will result in rendering a state department or agency unable to deliver basic services. The director of the department of management and budget shall report by the fifteenth of each month to the chairpersons of the senate and house appropriations committees the number of exceptions to the hiring freeze approved during the previous month and the reasons to justify the exception.

Sec. 208. Funds appropriated in section 101 shall not be used for the purchase of foreign goods and/or services when competitively priced and of comparable quality American goods and/or services are available.

Sec. 209. The department of military affairs shall establish an FTE position vacancy accumulated funds account. The department shall transfer into the FTE position vacancy accumulated funds account at the end of each quarter any funds remaining unspent for personnel and related costs for vacancies. A report on the amount transferred each quarter into the vacancy accumulated funds account and the cumulative total in the account shall be submitted to the senate and house appropriations committees and the house and senate fiscal agencies 15 days after the last pay period in each quarter.

Sec. 210. At the same time as a privatization, elimination, retention, or modification analysis is submitted to the civil service commission for approval of a contract that will result in the loss of employment by classified state employees or otherwise substantially alters the delivery of a service central to the mission of the department, the department shall submit a copy of the analysis to the house and senate appropriations committees. If a collective bargaining agreement covering state employees described in this section requires prior notification, the department shall submit the analysis to the appropriations committees on or before the date specified in that agreement. The analysis shall include all of the following:

- (a) The justification for privatizing or contracting the function or service.
- (b) The estimated number of classified state employees potentially affected by the contract.
- (c) The civil service criteria used to justify privatization.
- (d) The projected cost savings from privatization, if any, including:
 - (i) Documentation that the savings meet the minimum criteria established by the civil service commission.
 - (ii) The cost of contract monitoring.
 - (iii) The conversion cost associated with termination of state employees.
 - (iv) The conversion revenue associated with the sale of an asset or service to the contractor.
 - (v) Estimated net revenue lost to the state by privatizing the service or function.

(vi) A demonstration that the service would be performed at substantial long-term savings to the state when compared with the cost of performance of the service or function by classified state employees. The demonstration of substantial long-term savings shall be consistent with criteria developed by the department of civil service.

Sec. 211. None of the funds appropriated in section 101 in the line item identified as "Federal contingency funds" are available for expenditure until they have been transferred to another line item in this act pursuant to section 393 of the management and budget act, Act No. 431 of the Public Acts of 1984, being section 18.1393 of the Michigan Compiled Laws.

HEADQUARTERS AND GARRISONS

Sec. 301. The department of military affairs may charge a rental fee for renting the garrison training center of not more than the actual cost to the department of military affairs of renting the garrison training center including overtime compensation, insurance coverage, and maintenance required.

DEPARTMENTWIDE APPROPRIATIONS

Sec. 401. Funds appropriated in section 101 for the military duty contingency fund shall be used to fund nonfederally supported missions of the national guard when called to state duty.

Sec. 402. The Michigan veterans' memorial park commission may receive and expend gifts, contributions, and bequests from any person, public or private corporation, organization, foundation, governmental entity, or any other source for the purpose of establishing a veterans' memorial park as described in Executive Order No. 1992-12. Money contributed to the Michigan veterans' memorial park commission shall be deposited in the state treasury through the department of military affairs and shall be available for expenditure. Project costs hereby authorized shall not exceed the gifts, contributions, and bequests received. Money under this section and any specific work orders or projects adopted by the Michigan veterans' memorial park commission in accordance with section 451(4) of the management and budget act, Act No. 431 of the Public Acts of 1984, being section 18.1451 of the Michigan Compiled Laws, shall not lapse at the end of this fiscal year but shall be available for expenditure until September 30, 1996. Expenditures shall be in accordance with methods and procedures approved by the Michigan veterans' memorial park commission, the department of military affairs, and appropriate state agencies.

Sec. 403. Funds available from the Michigan national guard armory construction fund created in section 382a of the Michigan military act, Act No. 150 of the Public Acts of 1967, being section 32.782a of the Michigan Compiled Laws, are hereby appropriated for expenditure for the purposes specified in section 382a of Act No. 150 of the Public Acts of 1967.

VETERANS SERVICE ORGANIZATIONS

Sec. 501. (1) The amount appropriated in section 101 for grants to veterans service organizations shall be used only for salaries, wages, related personnel costs, training, and equipment for accredited veteran service advocacy officers and necessary support and managerial staff. Training shall be provided for service advocacy officers and shall be conducted by accredited advocacy officers.

(2) To receive a grant from the funds appropriated in section 101, a veterans service organization shall meet the following eligibility requirements:

- (a) Be congressionally chartered by the United States congress.
- (b) Be an active participating member of the Michigan veterans organizations' rehabilitation and veterans service committee and abide its rules, guidelines, and programs.
- (c) Demonstrate the receipt of monetary or service support from its own organization.
- (d) Comply with the department of military affairs' and legislature's requirements of accounting audits, service work activity, accounting of recoveries, listing of volunteer hours, budget requests, and other requirements specified in subsection (3).
- (e) For a veterans service organization founded after September 30, 1989, be in operation and providing service to Michigan veterans for not less than 2 years prior to receiving an initial state grant. During this 2-year period of time, the organization shall file a listing of service work activity and an accounting of recoveries with the department of military affairs, senate and house fiscal agencies, and the senate and house subcommittees on military affairs on forms as described by the department.

(3) A veterans service organization receiving a grant from the funds appropriated in section 101 shall file with the department of military affairs a certified accounting of its expenditures within 120 days after the organization's fiscal year end. Each organization shall provide a detailed budget request for the fiscal year ending September 30, 1994 to the department by November 15, 1993 within the format as described by the department to be used in the development of the budget ending September 30, 1995. Each organization shall provide 5 copies of a listing of all service activity, an accounting of recoveries, and a listing of volunteer hours for the fiscal year ending September 30, 1993 to the department by January 31, 1994. A veterans service organization receiving a grant from the funds appropriated in section 101 shall use the forms recommended by the Michigan veterans organizations' rehabilitation and veterans service committee for filing reports required by this act. The department shall forward information required under this section to the senate and house fiscal agencies and to the senate and house appropriations subcommittees on military affairs.

Sec. 502. It is the intent of the legislature that funds appropriated in section 101 for veterans service organizations shall include funding to provide services to veterans of World War I.

GRAND RAPIDS VETERANS' FACILITY

Sec. 601. Appropriations in section 101 for the Grand Rapids veterans' facility shall not be used for any purpose other than for veterans and veterans' families.

Sec. 602. The Grand Rapids veterans' facility, together with the departments of military affairs and management and budget, shall produce and deliver to the senate and house appropriations subcommittees on military affairs an annual written report on the progress of that institution toward meeting the standards required for state nursing home licensure and the progress toward meeting standards necessary for medicaid certification. The report shall include detailed information as to institutional changes that have been made in efforts to meet these standards, evidence of a qualified third party evaluation as to the progress made toward those standards, a statement of what changes still need to be made, including a listing of any personnel, equipment, supplies, or budgetary increases required, and an estimate as to the likelihood of the facility receiving medicaid funds for the year and the impact on the adequacy of current funding should those funds be received or not received. The annual report shall be received by the subcommittees no later than April 1, 1994.

Sec. 603. The funds appropriated in section 101 for the board of managers may be expended for facility improvements, the purchase and repair of equipment and furnishings, member services, and other purposes that benefit the Grand Rapids veterans' facility.

Sec. 605. The funds appropriated in section 101 for the Grand Rapids veterans' facility, board of managers, shall be considered a work project and unspent funds shall not lapse to the general fund.

D. J. JACOBETTI VETERANS' FACILITY

Sec. 701. Appropriations in section 101 for the D. J. Jacobetti veterans' facility shall not be used for any purpose other than for veterans and veterans' families.

Sec. 702. The funds appropriated in section 101 for the D. J. Jacobetti veterans' facility shall be used for fully funding the operation of the entire facility and not for funding 1 or more operations of the facility at the expense of another operation or operations of the facility.

Sec. 703. The D. J. Jacobetti veterans' facility, together with the departments of military affairs and management and budget, shall produce and deliver to the senate and house appropriations subcommittees on military affairs an annual written report on the progress of that institution toward meeting the standards required for state nursing home licensure and the progress toward meeting standards necessary for medicaid certification. The report shall include detailed information as to institutional changes that have been made in efforts to meet these standards, evidence of a qualified third party evaluation as to the progress made toward those standards, a statement of what changes still need to be made, including a listing of any personnel, equipment, supplies, or budgetary increases required, and an estimate as to the likelihood of the facility receiving medicaid funds for the year and the impact on the adequacy of current funding should those funds be received or not received. The annual report shall be received by the subcommittees no later than April 1, 1994.

Sec. 704. The funds appropriated in section 101 for the board of managers may be expended for facility improvements, the purchase and repair of equipment and furnishings, member services, and other purposes that benefit the D. J. Jacobetti veterans' facility.

Sec. 705. The funds appropriated in section 101 for the D. J. Jacobetti veterans' facility, board of managers, shall be considered a work project and unspent funds shall not lapse to the general fund.

This act is ordered to take immediate effect.

Secretary of the Senate.

Co-Clerk of the House of Representatives.

Approved -----

Governor.